

EXHIBIT B



U.S. Department of Justice

Criminal Division

Fraud Section

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Washington, D.C. 20005

VIA ELECTRONIC MAIL

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Re: *United States v. Connolly, et al.*

Dear Counsel:

Below please find a summary of the Government's notes from a March 6, 2013 meeting with representatives from Deutsche Bank, including outside counsel, where we discussed trading data. This letter is not a verbatim recitation of the meeting.

Summary of Notes:

DB provided cornerstone with data

- CSV and excel files
- Data extracted from trade repositories/ platforms
 - RMS and Kondor
 - RMS – derive traders
 - More complex data/trades system
 - Kondor – pool desk, cash flow files
- Made sure that extracted data was error free and there were no omissions
 - Data that DOJ received
- Produced data in 2 formats (Excel and SAS)

- Data produced
 - o 3 product types
 - USD
 - Yen
 - Still working on Yen Kondor data
 - EURIBOR
 - o Each currency had own prod
 - o Sample
 - Swaps, FRAs, futures, futures options, IR caps and floors
 - o Time frame 1/1/2005 – 6/27/2011
 - o History of actions related to the contract
 - o Cash flow files for each contract
 - o Swaps – 2 records per contract
- RMS
 - o Majority of volume of derive trading in GFF lives in this platform
 - o Contract files and cash flow files
 - Broken up into date ranges
 - o Cash flow files
 - Broken up across time, not product
 - o Each contract has a unique identifier in system = System ID
 - Lists characteristics of the contract
 - Variable names
 - Leg1 multiplier = 0, then it is fixed leg
 - Leg2 multiplier = 1, it is floating
 - Leg1 frequency = payment frequency
 - See summary sheet provided for term/characteristic definitions
 - Notional
 - Minus = DB paying
 - + = DB receiving
 - Currency is determined by Leg1Currency variable
 - o TIBOR vs Yen LIBOR
 - There will be a way to tell
 - Fixing reference variable
 - Data is like a that of a trade confirm
 - Lists actual days that fixings occur
 - Actions
 - New = start of contract
 - Fixed = fixing of floating legs
 - CouponPaid = captures cash flow event
 - Roll = expiration of contract

- Each action has an associated date = ActionEffectiveDate
 - Economic = something is happening with contract
 - Ex. Early termination
 - Non-economic
 - Additional info re contract
 - Dates in file name relates to date of an action
 - A contract may have actions that span several files
 - Will need to extract contract files using the common SystemID
 - Each action has a version #
 - Value of the Relevant Ref Rate
 - RMS data does not include the value of the ref rate for a specific day
 - Need to track down rate fixing via 3rd party (ie. Bloomberg)
 - RMS Cash Flow Files
 - Record created each time a cash-flow related action occurs for a contract
 - Will need to extract files from ExercisedFromSourceSystemID column to find all cash flows for a specific contract
 - FixedDate
 - End of the accrual period
 - Roll date not in contract files
 - Roll date shows when \$ changes hands
 - Generates an instruction for a payment
 - Profit center – will show individual transactions
 - DB unsure if these are netted
 - May be netted to reduce transaction costs
 - CouponPaid only shows the amount that would change at that point, but no \$ is exchanged
 - Instruction going from trade depository
 - LastFixedDate shows the last time that the rate was looked up
 - Any testing to ensure data accuracy going into RMS?
 - No specific testing, but confirmation team goes through each trade
 - Data ties out, can find confirms and cash flows
 - If a trade is not in RMS, then there is no way for a payment to be sent
 - Cornerstone made sure that data contained the same amount of columns and files that originally came from DB's system
 - Too much data to verify each transaction individually
- Info
- Trade date
 - TradeDate or ActionEffectiveDate
 - Reset Date or Rel Fix of LIBOR
 - LegxLastFixedDate

- Term/Tenor
 - LegxMultiplier
 - LegxFrequency
- Ref Index
 - Fixing reference and tenor
- Currency
 - Legxcurrency
- Counterparty
 - Counterparty in data
 - Unique identifiers
 - DB can give mapping for counterparty info
 - Only change may be due to bank mergers
 - Merrill Lynch to BoA
 - DB can also tell why the CP name and customer name is different for specific deals
 - Location is not part of this data
 - will need to have mapping of identifiers to show location
 - Sometimes the customer info is lost if the trade is booked through a broker
 - Customer field is a record of who was being traded with
 - LCH
 - Citi as customer and LCH as counterparty
 - Should be able to figure out who the customer is on the other side of a deal, even if there is a broker
 - There will be some instances where DB never knows the ultimate customer is may just know the brokerage firm
 - Customer = end user of the trade
 - Counterparty = person receiving the payments from DB
 - Then given to customer
 - DB can document the instances where CP and customer are not the same
 - Can produce a list of all names
 - DB is primarily concerned who the credit risk is with
- Trade type
 - Files are segregated by trade type
 - Code for future vs future option
 - Column called TradeType
- Location of CP
 - DB would rather check the records to confirm the location of the CP/customer
 - Short codes go into a central system that contains all of the long name and location info
- Book ID

- RMS column “Book”
 - Book is unique to RMS
 - May have multiple people on a single book
 - Book owner
 - Book shares
 - Shared for different DB locations
 - May be a sr trader, but no “owner”
 - Product type determines the book a trade is done in
 - Traders may have their own private book and also be part of a shared global book.
 - You will see contracts migrate across several books
 - Reasons
 - Trader left
 - Product needs to settle the same way in the book it is being moved to
 - Trader may trade on more than one book
 - Nothing that would identify trading strategy
- Internal Trade ID
 - Same as System ID
- External Trade ID
 - Ref to the exchange traded contract for Futures
 - Only way there would be a universal ID with CP would be if it was a Futures trade
 - You would only need to exchange confirms
 - Unlikely to terminate a trade
 - Would just create a new trade
- Modification of contract
 - New version #
 - Action Effective Date
- Status
 - Active or Not Active
- Desk ID
 - RMS does not have this field
 - Would need to map books to desk
- Booking Location
 - Unsure. Some columns come from older systems
 - About 100 fields that serve no purpose
 - DB gave DOJ every field
 - Possible for DB to identify redundant columns?
 - Yes, DB can give us what would be useful

- See Summary of Selected RMS Variables
- Trader ID
 - Who is responsible for that risk at the time
 - Comms/emails to see who agreed to deal
 - Was the trader in the building
 - Reports
 - DB can provide this info for specific trades
 - Took a week to get 12 trades
 - Trader ID field not populated often
 - Trade could come in automatically
 - Trader who populated the most
 - Most likely the owner of the books
 - How often did he trade in that book
 - EnteredBy field
 - Trades can be entered by anyone
 - Doesn't tell who is responsible for the trade
 - Helps if you can see who entered the most and link it to a sr trader
 - Management reports could name the books
 - Back office knowledge
 - Can ask them who owned them
 - Desk management reports
 - Starts in late 2008
 - Not an official record
 - Used to monitor trader performance
 - High degree of confidence
 - Unsure if it includes every trader in GF
 - Employment contract that states the books
 - Not always solid/accurate
 - May trade in books not in a contract
 - Business managers may have knowledge of who traded in what books
 - Not an official record
 - DB has gone through these variables to try to determine who owns a book, but not a perfect science
 - DB is not really focused on an individual's performance, it is more concerned with how a particular business is/was doing
 - For Adolph and Bittar there is more information
 - Adolph had a book runner
 - Also proved it out by using other sources

- Doesn't need to instruct a trade to booked
 - He is responsible for a book
- Every trade is put into a book
 - Cannot do a trade outside of a book
- Shared Book
 - Column called booking location
 - DB does not think that this has been populated
- Trader mapping
 - Book is the most granular level
- Quarterly snapshots
 - People's roles change in office
 - Not sure how accurate it could be
 - Need to figure out who owns the book first
 - There are thousands of books
 - Looked at 15 traders
 - Only 8 came back as book owners
 - Could cut down book population by removing FX books
 - Only Global Finance books
 - Only hundreds of books, not thousands

RMS and Kondor

- RMS captures 85% of trades
 - Kondor captures 15%
- RMS captures 95% of swap contracts
- Most of the derive contacts in Kondor are futures futures options contracts, which are single period contracts
 - Futures contracts identify which market the product is traded on

Kondor Futures

- Security_name shows the tenor and currency and market it is traded on
 - EX CME
- VAL_CAP = system ID, unique identifier
- Type = buying or shorting
- DOJ has received the Kondor files (_kdr)
 - Broken out by product types
- Kondor data do not include cash flows

RMS Data

FRAS

- Contract files and cash flow files
 - Contract files contain actions
 - Currency and fixing ref and rate tenor

- Fixing date = day of reset
 - Notional
 - Negative = paying fixed, receiving variable/floating
 - Day count
 - Tells what exactly the cash accrual would be as a basis
- Actions
 - Limited action options
 - Cash flow file shows amount of cash flow
 - Amount transferred in or out of DB\

Futures Contract

- Mapping key will be useful
- Single contract
- Currency and Future code (EX USI-CME)
 - Tells where the future is being traded
- Number of contracts provides two pieces of info
 - Number of contracts
 - + or – gives you the position of the trade
 - - means benefit from increase in ref rate
 - Shorting
- Actions
 - New or exercised
 - Exercised
 - Note field
 - Tells price it was exercised at
 - Note on record
 - Cash flow file
 - Recorded as single cash flow
 - Singular cumulative cash flow

Futures Option Contract

- Not prepared for today
- DB did give list of key fields in summary RMS variables

Systems Walk Through

- Summit
 - External vendor package
 - Exists in several banks
 - Has different models for diff products
 - DB used it as an all inclusive system 10 yrs ago
 - Now used as trade repository and settlement documentation
 - Used for back office processes

- Traders do not see this, nor have access to it
 - Back office makes sure that RMS and Summit match up
 - Does not generate risk reports for traders
 - External payments to CPs
 - Not complete picture
 - RMS is complete picture of everything
- Each desk has its own risk management system that it uses
- Risk
 - Spreadsheet blotter
 - Interface with RMS
 - Can pull back info from RMS
 - Model risk
 - Send trades into RMS
 - Populates trader field
 - Not stored anywhere
 - Traders have own blotter with live data to show them their risk
- Rolfe and Nolan
 - “click and trade” tools for both customers and used internally
 - Used by Exchange Rate and Futures and Options traders
- Swapsware
 - Electronic confirm process
 - Sent through to Summit
- RMS
 - Everything from the traders flows through RMS
- Concentrix
 - Can go back and look at historical P&L data/figures
 - Can see by business and not by trader
 - Books get aggregated
- CPG Desk
 - Credit risk goes against a traders P&L
 - Desk would look at the books and where there is a large amount of credit risk
 - Book credit default swap to balance
 - Short term trades would not appear on the CPG’s radar in time for them to book a swap

As always, please let us know if you have any questions or would like to discuss these matters further.

Sincerely,

/s/

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/s/

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